

## Comprehensive Alliance between APLUS and Shinsei Bank



September 3, 2004

APLUS Co., Ltd. and Shinsei Bank, Limited

# Shinsei Bank Strategy: Drive Profitability & Returns

**Non-Bank Business**

- *Better Banking* for institutional and retail customers
- Innovative, customer-centric approach
- Offer high value-added products and services supported by leading technology and management



Retail Banking

Institutional Banking

**Generating Value and Superior Returns**

# Non-Bank Business of Shinsei Bank



- The non-bank business is a key growth area for Shinsei Bank
  - Utilize subsidiaries and affiliates in areas where separate control is appropriate, or in businesses that Shinsei requires outside expertise
  - Enhance group capability by offering new products and services to new customers
  - Expect the Non-Bank business to represent 20% of total group profit in five years
- Why non-bank?
  - Expect further growth and expansion of market / profit potential
  - Leverage Shinsei's strong capital base and maximize profit opportunities by launching new products
  - Improve efficiency through Shinsei's leading-edge IT and common infrastructure platform
- Expansion strategy
  - Improve product offering and risk management for organic growth
  - Pursue synergies with existing investment banking and retail banking businesses
  - Promote M&A and alliances targeted for broader functions, business areas, franchise and customer base

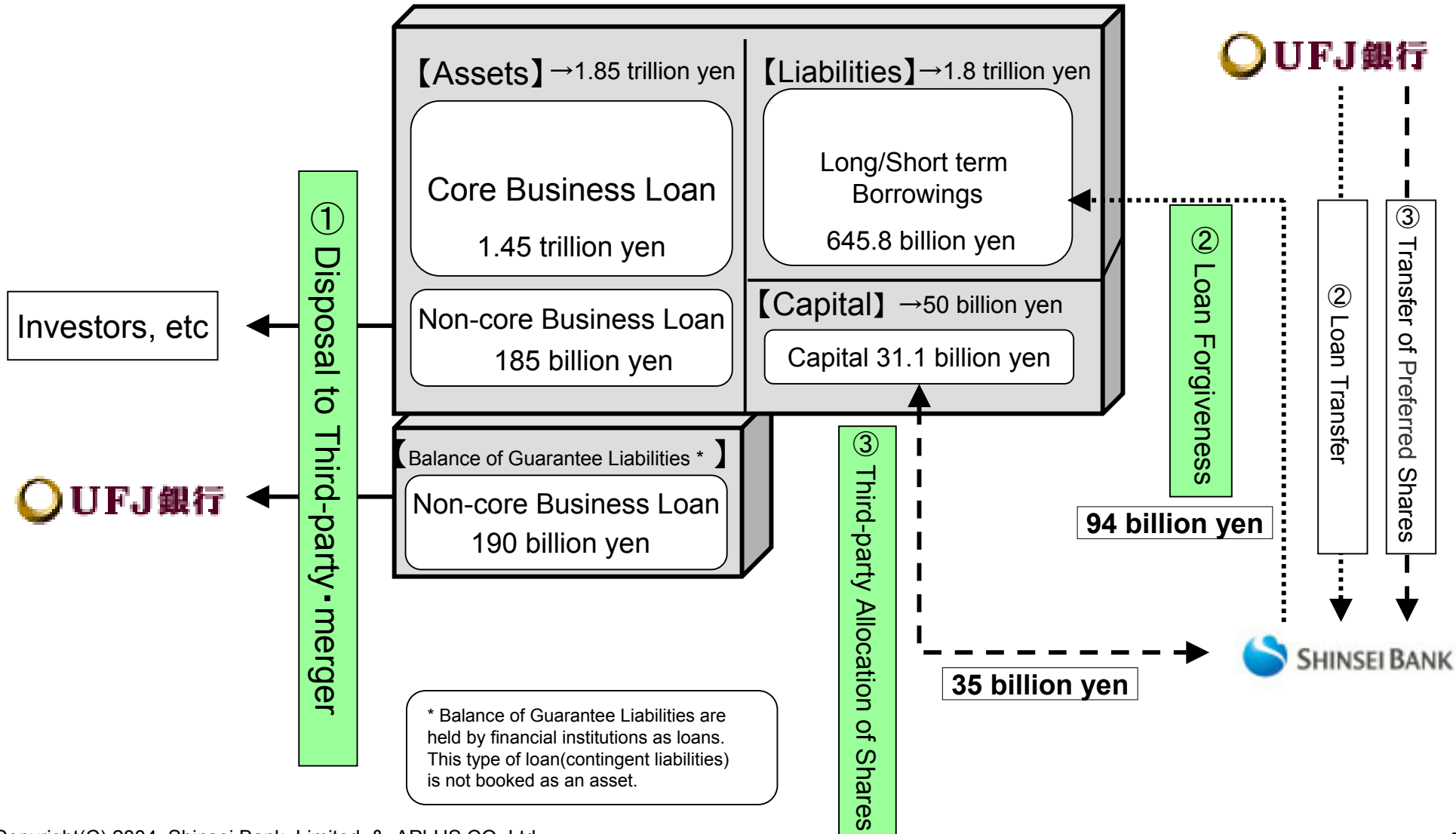
# Shinsei's Non-Bank Business Franchise



	Customer	Products	Shinsei Group Companies
<b>Consumer Finance</b>	<ul style="list-style-type: none"> <li>• General consumers</li> </ul>	<ul style="list-style-type: none"> <li>• Installment sales</li> <li>• Credit cards                             <ul style="list-style-type: none"> <li>-Cashing</li> <li>-Loans</li> </ul> </li> <li>• Consumer finance</li> </ul>	<p><b>Aplus</b></p> <ul style="list-style-type: none"> <li>• Shinsei Sales Finance</li> <li>• Shinki</li> </ul>
<b>Commercial Finance</b>	<ul style="list-style-type: none"> <li>• Small / medium-sized companies</li> </ul>	<ul style="list-style-type: none"> <li>• Loans</li> </ul>	<ul style="list-style-type: none"> <li>• Shinsei Business Finance</li> </ul>
<b>Property Finance</b>	<ul style="list-style-type: none"> <li>• Real estate agents and developers</li> <li>• Property purchasers / owners</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate finance</li> <li>• Residential mortgage loans</li> </ul>	<ul style="list-style-type: none"> <li>• Shinsei Property Finance</li> <li>• Life Housing Loan</li> </ul>

**Expanding Non-Bank Franchise in Three Key Markets**

# Outline of Non-core Business Spin-off



# Structure of the Alliance

【 Balance sheet after alliance 】



<b>【 Assets 】</b> → 1.75 trillion yen	<b>【 Liabilities 】</b> → 1,700 billion yen
Core Business Loans 1.45 trillion yen	Interest-bearing liabilities 551.8 billion yen
	<b>【 Capital 】</b> → 50 billion yen
	Capital 48.6 billion yen

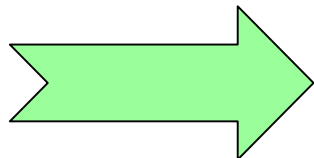


SHINSEI BANK

Shinsei will hold approximately 67% of APLUS

Shinsei will position APLUS as the strategic core of Shinsei Group's non-bank business

- Focused allocation of resources to core businesses  
⇒ Realize high-profit position
- Reinforce APLUS capital base  
⇒ Strengthen the business foundation to focus on growth



***New APLUS as part of Shinsei Group***